Exclusion of Hotel Samrat from disinvestment list

317. SHRI NANA DESHMUKH: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have of late, decided to exclude Hotel Samrat from disinvestment list;

(b) if so, the reasons therefor; and

(c) whether a part of the building would be leased to house the offices of Intelligence Bureau?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) does not arise in view of reply to (a) above.

(c) The Government has not taken any such decision.

Disinvestment of VSNL

318. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have disinvested their shares in VSNL;

(b) if so, the details thereof;

(c) the profits after tax and dividend paid by the company during the last three years, year-wise;

(d) the price range of VSNL shares quoted in stock market during sale;

(e) the share prices of VSNL in February-March, 2000;

(f) whether it is also a fact that Government decided to prepone the ending of VSNL monopoly over international telephony in 2002 contrary to the agreement reached in WTO telecom services negotiations; and

(g) if so, to what extent this affected the sale proceeds of VSNL shares?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Yes, Sir. The Government has disinvested 25% equity stake in VSNL in favour of Panatone Finvest Limited, a Tata Group Company at a consideration of Rs. 1439.25 crore.

(c) The Profits After Tax (PAT) and dividends paid by the company during the last three years are given below:

(In Rs. crore)

	1998-99	1999-2000	2000-2001
PAT	1324.96	840.27	1778.83
Dividends paid	76.00	76.00	1425.00

(d) and (e) The price of VSNL shares on 1st February 2002, the date on which bids were invited, was around Rs. 155 to Rs. 166 per share. The share prices of VSNL ranged from about Rs. 613 to Rs. 1023 per share on Bombay Stock Exchange during February-March, 2000.

(f) and (g) India had committed to WTO to review the opening up of International Long Distance (ILD) services to competition in the year 2004. The objectives set forth in the National Telecom Policy of 1994 includes private investment to bridge the resource gap. Thus, the Government committed itself to deregulate the telecom sector in a phased manner. Therefore, the Government decided to discontinue VSNL monopoly on ILD services by 31st March, 2002 in order to remove constraints on the development of telecom sector in the country, as it was committed to deregulate the telecom sector in a phased manner. Valuation of any company depends on several factors and it is, therefore, difficult to quantify the effect of each individual element.

Method of valuation of VSNL

319. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have disinvested their shares in VSNL;

(b) if so, the details thereof;

(c) the method of valuation adopted and the reserve price arrived at by each of these methods;

(d) the global advisor and other expert agencies involved;

(e) whether the successful bidder company will be given a bridge loan to finance the purchase; and